

AN ORDINANCE 2006-02-23-0251

**APPROVING THE CITY OF SAN ANTONIO'S 2006 FEDERAL
INITIATIVES PROGRAM FOR THE 2ND SESSION OF THE 109TH
CONGRESS.**

* * * * *

WHEREAS, the Second Session of the 109th Congress convened on January 31, 2006 and the development of the City's Federal Initiatives Program ("Program") began last October with a legislative workshop for City Council and City staff hosted by the External Relations Department and the City's federal lobby team; and

WHEREAS, feedback from that workshop, as well as a solicitation for federal initiative recommendations to all City departments and local public agencies, resulted in recommendations from the Mayor and City Council, various City departments and local governmental agencies, such as the San Antonio Water System, CPS Energy, the University of Texas at San Antonio and University of Texas Health Science Center; and

WHEREAS, these recommendations were reviewed by the City's Federal Government Affairs Team ("Team"), which is comprised of staff from the External Relations Department and the City's federal lobby firms and the Team proposed a list of priorities to the City Council Intergovernmental Relations Committee, which, in turn, finalized and recommended adoption of the Program to the full Council at its January 17, 2006 meeting; and

WHEREAS, the City's 2006 Federal Initiatives Program consists of seventeen (17) initiatives and six (6) endorsements which are more fully described in the copy of the Program attached to this Ordinance as Exhibit I; and

WHEREAS, for an initiative to be included in the City's Program, it must meet one of the following three criteria: (1) it must be San Antonio-specific, (2) it must address an issue where San Antonio is disproportionately affected, or (3) it must be universal in effect, but to ensure success, San Antonio must take primary responsibility and play a leading role in its passage; and

WHEREAS, in terms of a legislative endorsement, however, the City will make its support known on an issue, but will not take a leading role in its passage; and

WHEREAS, the City's federal lobby firms of Holland + Knight, L.L.P. and Patton Boggs will play lead roles in representing, advising and consulting on behalf of the City and the City will continue to work closely with the National League of Cities on a variety of municipal issues pending before Congress and the Bush Administration; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

LB
02/23/06
Item #13

SECTION 1. The 2006 Federal Initiatives Program for the Second Session of the 109th Congress is authorized and approved. A copy of the Program is attached to this Ordinance as Exhibit I.

SECTION 2. This Ordinance shall be effective on and after the tenth day after passage.

PASSED AND APPROVED this 23rd day of February, 2006.

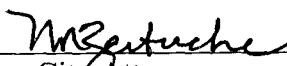

M A Y O R

PHIL HARDBERGER

ATTEST:


City Clerk

APPROVED AS TO FORM:


bor City Attorney

Exhibit

I

City of San Antonio



Mayor and City Council

Phil Hardberger
Mayor

Roger O. Flores

Sheila D. McNeil

Roland Gutierrez

Richard Perez

Patti Radle

Delicia Herrera

Elena Guajardo

Art A. Hall

Kevin Wolff

Chip Haass

Sheryl L. Sculley
City Manager

City of San Antonio

Table of Contents

Executive Summary

Section I – Initiatives

1. Main Plaza Redevelopment Project (\$2M)
2. Port of Entry Designation
3. Fort Sam Houston Business Development Office (FSHBDO) (\$500K)
4. Fredericksburg Road/Medical Drive Grade Separation and Linkage to IH 10 Project (\$20M)
5. San Antonio River Improvements Project (SARIP) (\$15M)
6. San Juan Acequia Trail (\$602K)
7. Olmos Creek Restoration Project (\$726,945)
8. Alamo Region Women's Business Center (\$150K)
9. Zarzamora Street – Hutchins to IH 410 Project (\$14M + 18.5M)
10. Bulverde Road – Loop 1604 to Evans Road Expansion (\$30M)
11. Procurement Technical Assistance Center (PTAC) (\$149,950)
12. South Texas Fusion Center (\$15M)
13. Police Technology Improvements (\$1.87M)
14. Citizen Soldier Institute (\$250K)
15. Public Health Infrastructure (\$9M)

16. Targeted Job Training (TJT) (\$500K)

17. Octavia – Phase 3 Project

18. Omnibus Policy

Section II – Endorsements

1. Air Quality

2. Child Care Development Block Grant (CDGB)

3. Continuation of 36th Street from SH 16 to US 90 (\$20M)

4. Energy Policy

5. Public Requests for Vital Records

6. Water Quality

Section III – General Issues

- Community Development Block Grants (CDBG)
- Affordable Housing
- Eminent Domain
- Public Health Funding
- Hunger
- Homelessness
- Telecommunications Reform

Executive Summary

In preparation for the 2nd Session of the 109th Congress, the City of San Antonio has identified fifteen legislative and regulatory issues to be included in its 2006 Federal Legislative Program. These issues were identified in cooperation with the City's federal affairs consultants, coordinated through the External Relations Department, with assistance from the City Attorney's Office, representatives from all City departments and local public and private partners. Issues were reviewed by the City Council's Intergovernmental Relations Committee, chaired by Councilman Chip Haass, along with Councilmembers Elena Guajardo, Roland Gutierrez and Patti Radle, and subsequently approved by the full Council.

The 2006 Federal Program consists of seventeen (17) initiatives that address legislative and regulatory issues including: securing \$2 million in federal funding for Phase 2 construction of the Main Plaza Redevelopment Project to be used in building a pedestrian bridge and other design enhancements linking the Plaza to the Riverwalk; obtaining a multi-year "port of entry" designation for the San Antonio International Airport; seeking \$2.5 million over a five-year period to create the Fort Sam Houston Business Development Office to develop business opportunities between local businesses and the U.S. Army; obtaining additional funding for future phases of the Fredericksburg Road/Medical Drive Grade Separation road project near the South Texas Medical Center; support the San Antonio River Authority in securing \$15 million in 2007 federal appropriations for the ecosystem and aquatic restoration of the Mission Reach portion of the River Improvements Project; pursue \$602,000 in federal funding for a hiking trail and other improvements along the San Juan Acequia Trail; pursue matching federal funds of more than \$727,000 to support aquatic ecosystem restoration and the construction of recreation trails along Olmos Creek; to establish the Alamo Region Women's Business Center aimed at providing technical assistance to women-owned businesses in the South Texas area; to support funding initiatives that will bridge the gap in local funding for street and drainage improvements for the Zarzamora Street Project, the main arterial for surface transportation to the Toyota Manufacturing Plant; seeking \$30 million in transportation money from the Federal Transit Administration for the Bulverde Road expansion from Loop 1604 to Evans Road; securing continued federal support for the local Procurement Technical Assistance Center that assists contractors in marketing their products and services to federal, state and local governments; securing \$15 million in federal dollars to transform the City's Emergency Operations Center into the South Texas Fusion Center that will make San Antonio the regional hub for homeland security; pursuing funding for digital technology improvements for the San Antonio Police Department that will enhance the evidence gathering capability of arresting officers; advocating for earmark money to fund the Citizen Soldier Institute that will house archival material and memorabilia relating to the service of America's citizen soldiers from all branches of the military; obtaining \$9 million in federal funds to finance the transfer of the Metro Health District's administrative offices to new facilities being constructed by the University Health System; to secure \$2.5 million over a five-year period to support job training programs associated with the City's major economic drivers; and to seek federal funding for street/drainage improvements for Phase 3 of the Octavia Project located near IH-35 and Division Avenue.

The six (6) endorsements in the program include supporting air quality legislation to assist early action compact communities like San Antonio comply with the Environmental Protection Agency's air

pollution standards; increasing the childcare block grant allocation to the State of Texas; securing continued federal funding for the 36th Street Extension Project at KellyUSA that will help spur the redevelopment of Kelly into a first-tier, multi-modal industrial park; supporting a national energy policy that promotes the increased production, supply, transportation, and conservation of domestic energy resources as well as safeguarding the interests of CPS Energy; opposing any funding cuts to the Emergency Preparedness and Preventive Health Services Fund that would result in a reduction of vital services by the City's Metro Health District; opposing federal efforts to impose a five-year expiration date on birth records resulting in increased workloads for local government registrars; and supporting legislation to protect the funding portions of the Clean Water Act and the Safe Drinking Water Act which cities depend on to fund local water and wastewater projects.

While Congress is in session, the City Council Intergovernmental Relations Committee will meet periodically to review the City's priorities and receive updates from its government affairs team on pending legislative and regulatory affairs. As additional issues of interest to San Antonio arise during the session, the Committee will review them, and, if necessary, submit recommendations to the full Council for consideration.

The government affairs firms of Holland + Knight and Patton Boggs, has been retained to represent, advise and consult with the executive and legislative branches of the federal government on behalf of the City. Additionally, the City of San Antonio will continue to work closely with the National League of Cities and other municipally-related organizations on a variety of local government issues pending before the Congress and the Administration.

SECTION I – INITIATIVES

Main Plaza Redevelopment

PROPOSAL

To pursue \$2 million in federal funding for Phase 2 construction of the Main Plaza redevelopment project.

BACKGROUND

Main Plaza, or “Plaza de las Islas,” has been the center of San Antonio’s economic, political and cultural heritage since the early 1700s. It is bounded on the south by the Bexar County Courthouse, and the west by San Fernando Cathedral and the Municipal Plaza Building that houses the City Council Chamber.

Although there have been previous efforts to redesign the Plaza, it has remained unchanged for the past 40 years. In 2002, a conceptual plan was developed, which included stakeholder meetings, interviews with day visitors, and a traffic study to determine the possibility of re-routing traffic flow around the Plaza. That plan served as the foundation for the redevelopment project now under consideration.

The goal of the San Antonio City Council is to create a lasting aesthetic that will take into account the Plaza’s historic features, to make it more accessible to pedestrian traffic, link it to other cultural attractions, preserve sightlines or views to make it interconnected with surrounding buildings and other amenities, and utilize natural elements, such as trees and landscaping to make it a “special place” that creates an active public space, promotes biking, walking and transit, and revitalizes the face of downtown San Antonio.

FINANCIAL IMPACT

The completion of Phase 1 construction of the Main Plaza project is scheduled for June 1, 2007. Phase 2 is expected to begin immediately afterward, if federal funding is successfully secured. These funds will be used to construct a pedestrian bridge that will span the San Antonio River, which lies east of the plaza, linking Main Plaza to the new Drury Hotel. Also included will be funding to construct other amenities, such as drinking fountains, public restrooms, benches, landscaping, and other design enhancements. The goal is to create a public space that will be culturally and environmentally sensitive to the existing features of the Plaza and the famed Riverwalk, as a means of enhancing tourist flow and creating a seamless link to the heritage and historical areas located nearby.

Port of Entry Designation

PROPOSAL

To obtain at least a two-year extension of the Port of Entry designation for the San Antonio International Airport.

BACKGROUND

In 2000, President Clinton signed into law H. R. 4868, the Miscellaneous Trade and Technical Corrections Act of 2000. This legislation included a provision designating San Antonio International Airport as a U.S. Port of Entry, where private aircraft may land for processing by the U.S. Customs Service.

As a result of this designation, general aviation aircraft operators no longer had to stop in Laredo or Brownsville to clear Customs, if San Antonio was their final destination. The designation was for a two-year term, which expired on November 9, 2002.

The Port of Entry designation has historically been very successful for San Antonio and has received overwhelming support from many area businesses, such as H.E. Butt Grocery Company, H.B. Zachry, Valero Energy and USAA. In fact, over 125 letters of support were sent to the San Antonio congressional delegation favoring the Airport's receiving the designation.

Four years later, President Bush signed the Miscellaneous Trade and Technical Corrections Act of 2002, which contained a four-year extension of the designation. The designation, although two years late, became effective upon enactment, meaning that it became effective as of 2002. During 2003 and 2004, when the designation was not in place, general aviation aircraft saw a 40 percent drop in the use of the Airport for clearing Customs. The expiration of the designation is currently set to occur in November 2006.

FINANCIAL IMPACT

The International Airport provides facilities, security and law enforcement support services at no cost to the federal Customs Service in processing general aviation aircraft. During the past five years the Airport has been operating as a port of entry, Customs has reported no incidents that would indicate any problems in providing general aviation aircraft clearance, and as a result, would not preclude continuation of the designation on a temporary basis.

The airport port of entry designation is an important component of the City of San Antonio's economic development efforts, which includes the expansion of international trade. The designation saves general aviation aircraft time and fuel costs by allowing them to clear Customs in San Antonio.

Fort Sam Houston Business Development Office

PROPOSAL

The City of San Antonio (COSA) proposes to establish a Fort Sam Houston Business Development Office (FSHBDO) in partnership with the Defense Transformation Institute (DTI). DTI is a nonprofit entity created under the Texas Research and Technology Foundation for the purpose of leveraging assets on active military installations to create economic value for the community. The FSHBDO will act as the primary intermediary and lead organization for developing partnerships and business agreements between the U.S. Army and private/public entities seeking access to Fort Sam Houston for the purpose of leveraging technology, research, education, training and other assets to create business collaborations, and to foster small business subcontracting opportunities. This exchange of technology and other business partnerships will encourage the stimulation of economic growth on a local, state, and national basis. The FSHBDO will be the single point of contact between Fort Sam Houston and the business community.

BACKGROUND

As a result of BRAC 2005 and ongoing U.S. Army transformation, significant growth will occur at Fort Sam Houston over the next 3-5 years, particularly in the areas of medical research, education and training. The Brooke Army Medical Center will expand to become one of only two Department of Defense (DOD) Regional Medical Centers. In addition, numerous Army Command and Operating Agencies will be relocating to Fort Sam Houston, such as the headquarters for the Army Contracting Agency, the Army Environmental Center, the Army Installation Management Agency. In addition, Headquarters Fifth Army, currently located at Fort Sam Houston, will become Northern Command's land component headquarters for homeland defense of the entire continental US. The challenge to industry and local businesses in developing business relationships with DOD activities at Fort Sam Houston is to understand the activities and how to participate in the U.S. Army procurement processes and understand complex organizational relationships. The primary goal of this proposal will be to establish an industry single point of contact to simplify the interface between private industry and the DOD activities at Fort Sam Houston. The single point of contact will help match potential customers and partners on and off the installation to create value for the commercial partners, the DOD activities and the installation.

Through the FSHBDO, the City will underscore its support of the enhanced presence of the U.S. Army in the San Antonio area. The City will have the necessary infrastructure in place just as the initial growth begins and can grow its capabilities as the number and complexity of missions increases. As the single point of contact, the FSHBDO will provide the following support:

- Be the primary point of contact between Fort Sam Houston and the business community;
- Conduct training workshops for the tenants, small businesses, prime contractors and service providers;
- Provide information on procurement opportunities and resources;

- Build on existing efforts between Fort Sam Houston and community leadership to make the Fort's unique resources readily available to the commercial sector;
- The FSHBDO shall provide a business plan describing how they will help successfully execute the statement of objectives;
- Promote Fort Sam Houston as both a local and State technology growth center.

FINANCIAL IMPACT

The City is seeking support for funding of approximately \$500,000 per year for a five-year period from the Army beginning in FY 2007 to establish the Fort Sam Houston Business Development Office. City and DTI staffs are coordinating with the Army Medical Department Center and School at Fort Sam Houston regarding this initiative.

ADDITIONAL INFORMATION AND COMMENTS:

It is proposed that the FSHBDO be established under a Performance Based Service Contract and follow all applicable Federal laws.

Fredericksburg Road/Medical Drive Grade Separation and Linkage to IH 10 Project

PROPOSAL

To secure \$20 million to enhance the progression of traffic from Interstate 10 (IH 10) through the Ewing Halsell intersection and into the heart of the South Texas Medical Center.

BACKGROUND

The San Antonio South Texas Medical Center (STMC) continues to be a growing economic center of the City of San Antonio, which has experienced significant traffic congestion with the advent of this growth. This has been validated by the results of the recent Traffic Modeling Study and Parking Demand Study of the STMC. A grade separation at Medical Drive with Fredericksburg Road has been identified as a critical element of effective traffic flow in the region. The objective of the project is to significantly enhance the progression of traffic from Interstate 10 (IH 10) through the Ewing Halsell intersection and into the heart of the STMC. This project will facilitate faster ambulance service from our freeway network to the STMC and connect our citizens to essential care provided at the center.

The City continues to work extensively with the STMC community to facilitate the growth in this area and would appreciate support of this initiative.

FINANCIAL IMPACT

Total Estimated Project Cost **\$20,000,000**
Estimated Funding Shortfall **\$12,160,000**

Project	Total Project Cost	Previous Receipts	Earmark Funding	Funding Shortfall
Fredericksburg Road - Medical Drive Grade Separation	\$ 20,000,000	\$ 4,800,000	\$ 3,040,000	\$ 12,160,000

- FY '07 - \$1,000,000 for preliminary engineering and design fees (already available)
- FY '08 - \$3,000,000 for ROW acquisition (already available)
- FY '09 - \$3,000,000 for ROW acquisition (already available)
- FY '09 - \$3,000,000 for construction
- FY '10 - \$5,000,000 for construction
- FY '11 - \$5,000,000 for construction

San Juan Acequia Trail

PROPOSAL

To secure \$602,000 in federal funding to construct improvements to the trail network serving the southern section of the San Antonio River, including a hiking trail along the San Juan Acequia through National Park lands stretching from Mission San Juan to the southern end of the river project near Mission Espada.

BACKGROUND

During the 18th Century, the Spanish established a series of missions along the San Antonio River. This became the foundation for what later became the city of San Antonio. The missions' need for irrigation to water crops necessitated an elaborate system of *acequias*, or irrigation ditches, to channel water throughout the mission system and neighboring farmlands. The Spanish constructed seven *acequias*, five dams, and an aqueduct, using American Indian workers. This system extended 15 miles and irrigated 3,500 acres of land. The aqueduct at Mission Espada is the only remaining Spanish aqueduct in the United States.

In recent years, there has been a community-wide effort to revitalize the San Antonio River, most notably in conjunction with the San Antonio River Improvements Project. This began in 1998 when Bexar County, the City of San Antonio and the San Antonio River Authority created the San Antonio River Oversight Committee. Currently, 22 civic and neighborhood leaders serve on the committee, overseeing the planning, design and construction of identified river improvement needs. The committee has identified priorities and projects that will enhance public access and enjoyment of the redeveloped river. In fact, the Mission Reach subcommittee has focused its efforts on planning the southern reach of the proposed river improvements that are located adjacent to lands managed by the National Park Service. In February 2000, the Oversight Committee produced a comprehensive master plan for the project that included pedestrian and hiking improvements to the San Juan Acequia Trail.

FINANCIAL IMPACT

Construction of the trail is contingent upon receipt of line item construction funding through the National Park Services' construction budget. The amount of funding needed is approximately \$602,400. This money would be used for the construction of an 8-foot wide, 3.2 mile gravel/soil trail through the Project Management Information System (PMIS).

If this project is funded, opportunities for future earmarks or grants will be greatly enhanced as trails like the one proposed have enjoyed broad-based support for federal funding, such as the recent funding success of the Mission Trails project. Additionally, the goal of increasing the number of historical attractions will result in more tourism dollars spent in our city.

San Antonio River Improvements Project

PROPOSAL

To secure \$15 million in Fiscal Year 2007 federal appropriations to support the San Antonio River Improvements Project (SARIP) for the Mission Reach phase as well as to pursue federal funding for economic development, transportation, historic preservation, public art and recreation amenities that could supplement local funding for the northern phase, or Museum Reach of the project.

BACKGROUND

The City of San Antonio, Bexar County, San Antonio River Authority (SARA), and the San Antonio River Oversight Committee (a 22-member citizens committee) developed a vision to restore and enhance 13 miles of the San Antonio River, extending both north and south of the famed San Antonio River Walk. When completed, the River Improvements Project will reintroduce a thriving ecosystem to a previously channelized river, improve flood protection, restore the river's historic and cultural connections, enhance recreation, expand sightseeing opportunities, and stimulate economic development.

The 13-mile SARIP is a \$179.5 million investment in the San Antonio River and is comprised of three reaches:

- *The Mission Reach:* A nine-mile segment of the river extending south of downtown San Antonio from Alamo Street south to Loop 410 South, including the Eagleland segment (completing the final design phase);
- *The Downtown Reach:* A one-mile segment of the river in the heart of downtown from Houston Street to Lexington Avenue (completed in 2002);
- *The Museum Reach:* A four-mile unimproved segment of the river extending north of downtown San Antonio from Lexington Avenue to the river's headwaters near Hildebrand Avenue (completing the final design phase).

The Mission Reach

The U.S. Army Corps of Engineers (USACE) was originally authorized by Section 203 of the Flood Control Act of 1954 to complete a comprehensive flood control project along 31 miles of the San Antonio River and its tributaries, known as the San Antonio Channel Improvement Project (SACIP). The original project channelized miles of the San Antonio River and its tributaries to provide flood protection, including constructing two underground tunnels to divert flood waters from downtown San Antonio. The USACE project authorization was modified in 2000 to include ecosystem restoration and recreation as project purposes.

In September 2004, the USACE completed a comprehensive General Reevaluation Report (GRR) of the Mission Reach which recommended a \$96.2 million ecosystem restoration and recreation project to bring back natural habitat to a segment of the river previously channelized for flood control purposes. The Mission Reach improvements identified in the GRR are cost-shared, 65 percent federal and 35 percent local for ecosystem restoration as well as 50 percent federal and 50 percent local on recreational components. Additional funding is being raised privately to enhance historical connections, including adding public art.

The USACE's restoration project will plant 24,000 native trees, 56 acres of native grasses, 113 acres of aquatic habitat, 320 acres of riparian habitat, and restore two river remnants along eight miles of the San Antonio River south of downtown from Lone Star Avenue to Mission Espada. In addition, the stability and flood storage capacity of the river channel will be improved, resulting in a reduction of the flood plain. The project will add more than seven miles of hike and bike trails to the existing Mission Trails system and restore the river as a connection between four of the five historic Spanish missions located in the Missions National Historical Park. When completed, the restored river will stimulate economic development along the river and serve as a gateway to the City South Project home to Toyota and its affiliated manufacturing facilities. Final design is underway and construction on the first of four project phases will begin in 2007. The project will be completed in 2012.

Federal Funding Requirement for the Mission Reach

Since 2002 the SACIP has been funded each year through the Congressional appropriations process. More than \$10 million in funding has supported repairs to the existing federal project and funded the USACE's completion of a feasibility study and the GRR. The GRR identifies a total federal cost share of \$61,765,673 and a local cost share of \$34,389,345. The federal funding required to complete the project is \$56,441,500 and is allocated annually as follows:

FY 2007	\$15,763,500	FY 2010	\$510,000
FY 2008	\$19,890,000	FY 2011	\$255,000
FY 2009	\$19,890,000	FY 2012	\$133,000

FINANCIAL IMPACT

The City of San Antonio has committed \$37.8 million from a variety of funding sources toward amenity and recreation elements of the project. Bexar County has committed \$53.6 million in flood tax revenue toward flood control and environmental restoration costs. The federal funding needed to support the USACE project in Fiscal Year 2007 is \$15,763,500.

SARA, the City of San Antonio and Bexar County are initiating a strategy to identify \$15 million from other private and public funding sources to fully fund the amenities and enhancements to augment the locally funded portions of the Mission and Museum reaches. As part of this strategy, federal programs that support economic development, transportation, historic preservation, public art and recreation are being assessed for their potential application to fund components of the San Antonio River Improvements Project.

Olmos Creek Ecosystem Restoration Project

PROPOSAL

To obtain \$726,945 in matching federal funds through the Aquatic Ecosystem Restoration Program to implement the U.S. Army Corps of Engineers (USACE) recommended restoration plan for the three southernmost miles of Olmos Creek.

BACKGROUND

The Aquatic Ecosystem Restoration Program (Section 206 of the Water Resources Development Act of 1996), a program of the USACE, was established to restore degraded aquatic ecosystem structure, function and dynamic processes to a less degraded, more natural condition, which will involve consideration of the ecosystem's natural integrity, productivity, stability and biological diversity. The Water Resources Development Act of 1996 authorizes the Secretary of the Army to carry out an aquatic ecosystem restoration and protection project if the Secretary determines that the project will improve the quality of the environment, is in the public interest and is cost effective.

Authorized by City Council resolution on February 14, 2002, the City of San Antonio has worked with the U.S. Army Corps of Engineers" (USACE) in coordination with the San Antonio River Authority to develop a vision to restore and enhance the three southernmost miles of Olmos Creek. The project, known as the Olmos Creek Ecosystem Restoration Project, responds to the San Antonio 'North Central Community Plan' goal and vision for restoring the natural beauty and habitat to the Olmos Basin. The concept design for the project combines water quality improvements such as improving flow, and temperature of the creek by removing non-native, invasive plant and tree species, and restoring the ecosystem to create a more natural habitat and creekway through the planting of native plant species and native hard mass trees.

FINANCIAL IMPACT

The USACE completed a Preliminary Restoration Plan, done at the USACE's cost that identified the environmental degradation, evaluated restoration alternatives, and made recommendations for the project as well as provided cost estimates. The estimated cost for the project is \$1,118,376. The local funding partner is the City of San Antonio, committing 35 percent of the total project cost. The federal match is \$726,945, or 65 percent of the total project cost. To date, the Corps of Engineers has completed and contributed \$289,000 for the project's feasibility study. In November 2003, voters approved \$27.2 million in bond money for the rehabilitation of parks. Availability of these funds is to be spread over a four-year period. All projects have been committed to the voters to be substantially complete by December of 2007. \$600,000 was earmarked for the Olmos Creek Restoration Project and Trails. The majority of the bond money will support the construction of the trail system component of the project.

Upon the recommendation of the USACE, the City of Alamo Heights was contacted to determine interest in project participation. The City of Alamo Heights has expressed an interest through securing conservation easements for properties under private ownership within Alamo Heights' jurisdiction. This would provide a potential in-kind contribution of up to \$300,000, which will extend the City of San Antonio's ability to utilize bond monies specifically for the trail project. According to the USACE, it would be more advantageous, funding-wise, to separate the recreational component (trail system) to be designed and constructed by the City of San Antonio's Parks and Recreation Department independently. A Memorandum of Understanding (MOU) will be required to articulate the level of participation by Alamo Heights.

ADDITIONAL INFORMATION

The success of the Olmos Creek Ecosystem Restoration Program is contingent upon the federal appropriation of \$726,945 to implement the project. Upon appropriation of federal funding, a contract of project sponsorship will be brought forward to the San Antonio City Council for consideration in conjunction with an MOU with Alamo Heights. The City of San Antonio's Public Works Department, in coordination with the Planning Department and the City of Alamo Heights, will manage the Olmos Creek Ecosystem Restoration Project. The U.S. Army Corps of Engineers shall design and implement the recommendations for the aquatic restoration plan.

Alamo Region Women's Business Center

PROPOSAL

To secure \$1500,000 in funding for the Alamo Region Women's Business Center.

BACKGROUND

The South Texas Business Fund (STBF) is a self-supporting non-profit 501(c)3, serving as a division of the City of San Antonio's Economic Development Department. STBF is charged with supporting small business development and growth through outreach, education, technical assistance and financial programs and activities in a 12-county region that includes Bexar, Guadalupe, Comal, Kendall, Frio, Atascosa, Karnes, Wilson, Medina, Bandera, Kerr, and Gillespie counties. In November 2003, the STBF was approved by the U.S. Small Business Administration to serve the entire State of Texas.

Almost 70 percent of STBF's clients are minority business owners or prospective owners. Of this number, 34 percent are women business owners or prospective owners. It is STBF's goal to increase the number of women-owned businesses it serves by 10 percent per year. STBF provides a mentoring program for new business owners, pairing them up with established businesses in their particular field or industry. STBF staff conducts monthly business development seminars and has been an active partner in the 'Small Women and Minority Business Enterprise Conference' that attracts over 2,000 participants looking to start or grow their businesses. If funding were secured, the proposed Alamo Region Women's Business Center (WBC) would build on this successful program.

With the establishment of the WBC, it is anticipated that its staffers would conduct more than the required 51 percent of counseling, technical assistance, and training to its clients. This assistance would include business plan development, strategic planning and marketing. The goal is to co-locate the WBC with the STBF at the City's One-Stop Center, where WBC clients will have ready access to the Small Business Outreach Center, Small Business Startup Library, as well as licensing and permitting assistance.

STBF's plan for the WBC is to identify its target population by conducting outreach activities in San Antonio, Del Rio, Laredo, Corpus Christi, Victoria and throughout South Texas. This would be done in cooperation with STBF's existing partners, such as the City of San Antonio, community colleges and universities, Alamo Area Council of Governments, Alamo WorkSource and the United Way. A primary outreach component would include a public awareness campaign to highlight the business development services that would be made available to qualifying business prospects.

FINANCIAL IMPACT

The total budget for this project is approximately \$275,000. The City of San Antonio is willing to commit \$125,000 to be provided as an in-kind contribution toward development of the WBC. While the amount of federal funding being requested is minimal, its return to our community will be significant. It is anticipated that approximately 100 clients will be served as a result of this project.

Zarzamora Street – Hutchins to IH 410 Project

PROPOSAL

To secure \$14 million to design and construction of street and drainage improvements to Zarzamora Street from Hutchins to IH 410, including the drainage channels south of Rodrick Drive from Zarzamora to Six-Mile Creek, north of Betty Street from Zarzamora to Ansley and from Zarzamora at Mally to Ansley and Rockwell.

BACKGROUND

Proposed street improvements will reconstruct Zarzamora to a 5-lane, 62-foot wide travel section, including necessary drainage improvements, traffic signal network improvements and two 5-foot bike lanes for total 72 feet pavement width. The parkways will have 6-foot sidewalks and streetscape planting areas. The length of the proposed paving improvements is 9,600 feet. VIA Metropolitan Transit (City bus service) currently has a route in both directions of Zarzamora. VIA has designated this route as a high capacity transit corridor. Curb and driveway approaches will be incorporated into the project as well as upgrading the bus stop pad areas. Upon completion of this project, Zarzamora will have the capacity to handle the forecasted traffic volumes and transportation service level desired.

The drainage improvements will involve approximately 2,400 feet of channel south of Rodrick Drive, 1,600 feet of channel north of Betty Street from Zarzamora to Ansley and nearly 3,600 feet of drainage way from Zarzamora at Mally to Ansley at Rockwell, a portion of which flows through Hendrich Arnold Park. Also, in the street reconstruction, areas will be identified as to locations of a street inlet system that will feed to the aforementioned drains. It is expected at the end of this portion of the work, the drainage problems for the residences in the adjoining neighborhoods will be alleviated.

This project completes a portion of the main access corridor from IH 35 to the Toyota Manufacturing Company plant.

FINANCIAL IMPACT

Total Estimated Project Cost, Phase 1 - 3	\$20,000,000
Estimated Funding Shortfall	\$14,364,531

Project	Total Project Cost	Previous / Anticipated Receipts	Earmark Funding	Funding Shortfall
Zarzamora Street, Phase 1 - 3 (Hutchins Place to IH 410)	\$ 20,000,000	\$ 5,635,469	\$ -	\$ 14,364,531
Project Description Proposed improvements will reconstruct Zarzamora to a five lane, 62-foot wide travel section and two 5-foot bike lanes for a total pavement width of 72 feet. Project includes curbs, sidewalks, driveway approaches, traffic signals and bus amenities. This project upgrades the drainage channels, south of Rodrick from Zarzamora to Six-Mile Creek, north of Betty Street from Zarzamora to Ansley and from Zarzamora at Mally to Ansley and Rockwell.		Funding Breakdown \$4,135,469 – 2005 Storm Water Revenue Bonds \$1,500,000 – HUD 108 Funding		

Annual Requests, Phase 1 - 3

- FY '07 \$4.3 Million
- FY '08 \$5.0 Million
- FY '09 \$5.0 Million

Zarzamora Street – IH 410 to Applewhite and Applewhite – Zarzamora Street to Watson

PROPOSAL

To secure \$18.5 million to increase the capacity of Zarzamora Street from IH 410 to Applewhite and Applewhite from Zarzamora Street to Watson to accommodate the projected growth resulting from the Toyota Manufacturing plant.

BACKGROUND

The scope of the project is to widen the roadway from four lanes with a median, shoulders and bar ditches to a six lane roadway with medians, sidewalks, curbs, bike lanes, necessary drainage improvements, utility corridor and traffic signal improvements. The project will require widening of the Leon Creek bridge and installation of underground drainage.

The \$800 million Toyota Manufacturing vehicle assembly plant will be a major economic generator for the City of San Antonio and is projected to bring numerous employment opportunities to our City. As a result of the projected growth and new economic vitality in the area, it is imperative that our infrastructure support this growth.

FISCAL IMPACT

Total Estimated Project Cost \$18,500,000

Project	Total Project Cost	Previous Receipts	Earmark Funding	Funding Shortfall
Zarzamora Street – IH 410 to Applewhite and Applewhite – Zarzamora Street to Watson	\$ 18,500,000	\$	\$	\$18,500,000

Bulverde Road – Loop 1604 to Evans Road Expansion

PROPOSAL

To secure \$30 million to fund the Bulverde Road – Loop 1604 to Evans Road Expansion.

BACKGROUND

Bulverde Road is a primary arterial on the City of San Antonio's Major Thoroughfare Plan. Bulverde Road has 86 feet of right-of-way, which should be expanded to match the proposed lane configuration south of Evans Road. The traffic demands on this two-lane roadway are approximately 60 to 100% in excess of its practical capacity. Roadway improvements will address drainage concerns in the area, provide for construction of 6 lanes with curb and a 6 foot sidewalk on one side, a shared bicycle path on the opposite side and a raised center median with turn lanes at intersections.

This project is regionally significant because it helps to connect major employment nodes to include a new Northeast Independent School District School, the proposed PGA Village, PGA Hotel, Harcourt Assessment, Inc., and various other retail developments. Bulverde Road is an essential roadway that creates a shortcut eastward from US 281 to Loop 1604. Therefore, it become an alternate corridor to the proposed toll road projects on US 281 and Loop 1604. This roadway will be crucial during toll road construction as motorists will rely heavily on Bulverde Road to reach their employment destinations, drop off children at school, visit commercial businesses and access their residences. After toll road completion, motorists attempting to avoid the toll road are expected increase traffic on this roadway significantly.

In an effort to construct this project in the most efficient manner, it is recommended that construction be phased. Various construction options have been considered to include the appropriate roadway width, number of lanes, right-of-way requirements, drainage, etc. in order to select the ultimate roadway that will meet the capacity needs of today's motorists and those needs due to the projected growth. Pape-Dawson, Engineers, Inc. conducted a Roadway Improvement Planning Study, where various options were considered to improve this roadway. As a result of this study, Option 1, which will construct six through lanes throughout the length of the roadway with a raised median, was considered the preferred option and is estimated at \$26,225,901. Intersections will include turn lanes to accommodate adjacent roadways and driveways. This option includes a curb and gutter, 6-foot wide sidewalks and a 10-foot sidewalk/bicycle path throughout the project length. Due to inflationary factors and anticipated increase in cost of materials, it is estimated that this project would cost approximately \$30,000,000 to complete.

The following phases are recommended:

Phase A: Loop 1604 to Emerald Ridge	\$ 7,250,000
Phase B: Menger to Evans & Evans Intersection	\$ 7,050,000
Phase C: Emerald Ridge to Canyon Parkway	\$ 9,650,000

Phase D: Canyon Parkway to Menger
Total

\$ 6,050,000
\$30,000,000

FINANCIAL IMPACT

Annual Requests

FY '07	\$6.0 Million
FY '08	\$6.0 Million
FY '09	\$6.0 Million
FY '10	\$6.0 Million
FY '11	\$6.0 Million

Procurement Technical Assistance Center (PTAC)

PROPOSAL

To secure \$300,000 in funding for the local Procurement Technical Assistance Center.

BACKGROUND

The Procurement Technical Assistance Center (PTAC), formerly known as the Procurement Outreach Program (POP), was established in 1985 for the purpose of assisting contractors interested in marketing their products and services to the federal, state and local governments. The program is partially funded through a cooperative agreement grant from the Department of Defense/Defense Logistics Agency. The City of San Antonio (city) has been successful in the award of this grant for 20 years.

During FY 2004, PTAC assisted over 427 area businesses to identify and/or compete on 128 contracts with a total value of over \$140,000,000. Awards included contracts to small disadvantaged businesses, women-owned businesses and other small businesses.

The program is a function of the Small Business Division and consists of three professional staff that reports to the division manager. A program director oversees two staff members with a combined total of 25 years experience assisting small businesses. The majority of the staff's time is utilized on counseling clients on bid/proposal preparation, completing forms, registering clients with the federal government contracting programs, bid matching, partnering with other Department of Defense agencies to provide business opportunities, and conducting training seminars and workshops.

Program staff interacts with clients at workshops, trade shows, by appointment, and by telephone. Program information is provided in newspapers, television and radio public service announcements. Other small business related organizations, military small business offices, federal and state agencies may also refer clients to the PTAC.

PTAC has also partnered with the Air Force Outreach Program Office and Small Business Administration for implementation of the HUB Zone Program through a satellite office within the PTAC. City staff processed and facilitated the application for Airstream Heating and Air Conditioning, the first HUB Zone certified business in San Antonio. In May 1999, Airstream Heating and Air Conditioning was awarded by Lackland AFB, the first HUB Zone contract in the nation.

The satellite office has helped over 87 small businesses become HUB Zone certified. The HUB Zone program promotes the creation of jobs, the revitalization on inner-city areas, and contracting advantages to small businesses.

The PTAC is also a member of the San Antonio Business Opportunity Council (SABOC). SABOC is composed of the Small Business Specialist from each military installation in the San Antonio area. Through SABOC, the PTAC co-sponsors an annual conference focusing on federal government

contracting. The conference features workshops on Marketing to the Federal Government, Central Contracting Registry (CCR) and Certification at the federal level. The PTAC has been a member of SABOC since the inception of the program.

The PTAC sponsors a monthly orientation that is presented to small businesses. The focus of the orientation is to educate small businesses on the services of the Small Business Division and other agencies, all which provide guidance on conducting business with City departments and federal agencies such as local military installations. PTAC complements the City's economic development initiatives and City programs that are intended to support the growth and development of small businesses. Additionally, the award of this grant presents the City with the opportunity to leverage federal funds to support these efforts. PTAC is an effective economic development tool that promotes a diversity of markets for local business retention and expansion.

FINANCIAL IMPACT

The total budget for this project is approximately \$520,000. During FY 2005, the City of San Antonio received \$149,950 through the PTAC grant program. As a result of the significant need for these services in our region, it is requested that this amount be doubled to \$299,900. The City intends to continue its support of this project through an in-kind contribution of \$219,260. The increased budget will allow for services to be provided to an additional 80 clients. While this number may sound minimal, it's important to note the success for the program. One of the clients served during FY 2004 secured three contracts worth over \$7.6 million.

South Texas Fusion Center

PROPOSAL

To secure \$15 million in federal funding to establish the South Texas Fusion Center in San Antonio.

BACKGROUND

The City of San Antonio and Bexar County received voter approval in 2003 for a \$24.5 million joint bond project to be used for the construction of a new emergency operations center (EOC). The 35,000 square foot facility will sit on an 8.2-acre site at Brooks City-Base. This location will provide up to an additional 60 acres for the future expansion of the center. The EOC will increase cooperation and coordination between city, county, regional, state and federal emergency response personnel by co-locating representatives from all entities into one center. Initial projections indicate the EOC will be operational by December 2007.

Fusion centers, which are collaborative efforts to combine and analyze anti-terrorism information from multiple sources, have becoming increasingly popular as part of homeland security. The City of San Antonio is requesting \$15 million to effectively transform this new EOC into the South Texas Fusion Center. The ultimate goal of a fusion center is to provide a mechanism where law enforcement, public safety, and private partners can come together with a common purpose and improve the ability to safeguard our homeland and prevent criminal activity.

FINANCIAL IMPACT

To date, no federal funding has been committed to this project. However, federal support is critical for the evolution of this EOC into a true fusion center that can serve the South Texas region. Specifically, the \$15 million in federal funds that will be sought by the City will be used for the purchase of state-of-the-art protection and intelligence systems that meet the standards and requirements of all entities in the project. The National Criminal Intelligence Sharing Plan will serve as the blueprint for San Antonio's local effort in maximizing the ability to detect, prevent, apprehend and respond to criminal and terrorist activity. The City of San Antonio's Office of Emergency Management will serve as the lead on this project.

Police Technology Improvements

PROPOSAL

To secure \$1.87 million in federal funding for the installation of in-car video equipment and the implementation of a digital photography system by the San Antonio Police Department (SAPD).

BACKGROUND

The San Antonio Police Department strives to provide the best and highest level of police professionalism. One of the major citizen complaints about police behavior both in San Antonio and across the nation occurs during traffic stops. These complaints range from charges of rudeness to racial profiling to no probable cause in making traffic stops or detaining individuals. Obtaining a video recording of the officer/citizen interaction would provide more definitive proof of what transpired and bring about a speedier resolution of these complaints.

Since the early 1990s, SAPD has employed a tape-based video camera recorder in DWI patrol vehicles. As a result, the department has identified an increase in successful prosecutions as well as a decrease in court time and frivolous complaints against arresting officers. To date, complaints against SAPD officers that include arrest or interactions captured on video have exonerated the officer 100 percent of the time. The proposed next phase of installation would include 30 vehicles for the Westside patrol station and 81 vehicles for the traffic division.

SAPD has also determined that there are several problems with the current use of 35 mm film and cameras for recording evidence. For example, film processing slows down investigation timetables and creates a backlog, which results in the elimination of photographic evidence for less severe crimes. Additionally, film reproduction costs have increased due to the diminished use of traditional film processing. And finally, the current system involves the training time to learn to use 35 mm cameras and the potential for human error. The solution to these problems is the implementation of a digital photography and image processing technology system for the SAPD Evidence Unit. This process will provide the court and defense attorneys with an initial verification of photo authenticity, preventing the overwriting of the original photo marks entered into the system while maintaining security against photo altering through a detection process. The evidence can then be maintained in the system or allow the investigator to place it onto a CD-ROM and log the disc into property and evidence with the accompanying documentation. Digital imaging now makes fingerprint identification possible without the use of fingerprinting ink.

FINANCIAL IMPACT

Using Local Law enforcement Block Grant (LLEBG) funding, the SAPD in 2004 purchased an in-car digital video system and storage for the East side substation. The system included sufficient equipment to install video systems into 16 vehicles and provide 10 terabytes of storage. The system also

included two spare systems and one system for training. The proposed next phase of installation would include 30 vehicles for the Westside patrol station and 81 vehicles for the traffic division. The estimated cost for this phase is \$1.3 million, averaging approximately \$11,700 per vehicle. This cost includes all cameras, audio, wiring and installation of all hardware, all software licenses and interfacing with the current Panasonic laptops. Also included would be 180 days of storage of all video evidence. Migrating SAPD from 35mm film to digital photography would require the purchase of software and hardware, including servers and digital photography processing equipment totaling \$570,000.

Citizen Soldier Institute

PROPOSAL

To secure \$250,000 in federal funding to establish the Citizen Soldier Institute (CSI) that will recognize and honor the service of America's soldiers from all branches of the military by collecting, cataloguing, and displaying items and information relating to their service for educational, academic, historical, and local tourism purposes.

BACKGROUND

The CSI will commemorate the service of our nation's citizen soldiers and create a place where the study of their service will be possible while also creating an additional tourist attraction for the City of San Antonio, since many visitors spend a portion of their time touring local military installations. The Institute will capture the type of study that is not only rich in oral tradition and important artifacts and memorabilia, but for which there is currently no national venue because existing museums often focus on a particular branch or on a specific era. The largest portion of the Institute's initial collection is expected to be from 1983 (Grenada) to the present.

The content of the Institute will be obtained primarily through donations from soldiers and the families of soldiers. Donations of content from other organizations will also be sought. Conceptually, there is no interest in content that would be loaned to the Institute, as the investment in catalogue and display of such items would not necessarily support the goal of having the largest permanent collection of Citizen Soldier historical content.

A location in northeast San Antonio has been identified as a potential site for the CSI. It is in Congressman Lamar Smith's district, next to a recently completed branch of the San Antonio Public Library, which also includes a surrounding park area and an amphitheater. The specific building identified for the Institute was previously used as a grocery store (over 30,000 square feet and more than 300 parking spaces). The building and property are owned by the national chain that had operated the store. Negotiations are in the initial stages to discuss various leasing options.

FINANCIAL IMPACT

Ultimately, the Institute will be the largest collection of Citizen Soldier content in the United States. Therefore, it should be a primary choice for targeted National Endowment for the Humanities grants and other federal funding.

Sources of funding include but will not be limited to: (1) federal appropriations and grants, (2) state funding, (3) foundation support, and (4) private donations. The goal is to secure \$250,000 in federal funds for initial operating money. Initial projections indicate that the CSI would be an excellent addition to the City's attractions portfolio and that tourists visiting the Institute would likely extend their stay in San Antonio. Lengthier stays would result in additional revenue to the City through hotel occupancy and sales taxes.

Public Health Infrastructure

PROPOSAL

To secure \$9 million in federal funding to transfer administrative offices of the San Antonio Metropolitan Health District into new facilities to be constructed by the University Health System.

BACKGROUND

The San Antonio Metropolitan Health District (SAMHD) is the single public agency charged by state law, city ordinance and county resolution with the responsibility for public health programs in San Antonio and the unincorporated areas of Bexar County. Although the Health District is a city/county organization, administrative control is under the City of San Antonio and the District is operated as a City department. SAMHD services include preventive health services, health code enforcement, clinical services, environmental monitoring, animal care, disease control, health education, dental health and maintenance of birth and death certificates.

The University Health System (UHS), in partnership with the University of Texas Health Science Center at San Antonio, is a nationally recognized academic medical center and regional Level 1 Trauma Center for 22 South Texas counties. As the public hospital district for Bexar County, the Health System operates a 604-bed acute care hospital, six community clinics, Community First Health Plans and Community Medicine Associates physician practice.

SAMHD, in collaboration with the UHS, is beginning the merger of clinical and population-based services from a local health department model to a countywide model. Currently, UHS is constructing three office towers at their downtown location at the Brady Green that could potentially house the major public health partners in one location.

FINANCIAL IMPACT

Funding requested by the City of San Antonio to move the District's offices within the new UHS downtown facility would allow for the development of a collaborative working environment, resulting in a seamless public health system. Specifically, this funding would secure 45,000 square feet of office space within one of the three UHS towers for the SAMHD. UHS is calculating construction expenditures at \$200 per square foot.

Targeted Job Training (TJT)

Proposal

To seek \$500,000 in additional workforce development funding to be used for job training programs that reflect San Antonio's leading economic sectors, including: aerospace, manufacturing, biotech/healthcare, information technology and telecommunications, financial services and construction management.

Background

The importance of job training and workforce development programs has increased steadily since the 1970's as a result of the economic challenges facing the U.S. economy. These challenges demonstrate the importance of a skilled workforce capable of operating in a changed business environment aimed at helping businesses maintain a competitive edge within a unified global economy. Greater numbers of individuals need job training programs so that new entrants into the workforce possess the marketable occupational skills to be productive in the new economy. Having a skilled workforce is also important in attracting business to San Antonio as well as providing local workers with more employment options and opportunities.

The City of San Antonio has recognized the need to invest in the workforce of tomorrow and is proposing to accomplish this goal by seeking funding for job training programs that reflect the City's unique economic environment. These sectors reflect the areas of current need and projected demand in our community and throughout South Texas.

In the 2006 Labor HHS budget, no earmarks were awarded to any job training program. Historically, numerous projects have been funded, including the following:

- **Austin, Texas** – for a workforce development and training initiative - \$320,000
- **Houston Area Urban League** – communities to work program - \$300,000
- **California University of Pennsylvania** – to establish a center for biomedical workforce - \$100,000
- **City of Auburn** – Auburn, NY - \$300,000
- **City of Portland** – Workforce Assessment, Training, and Re-Training Initiative - \$300,000
- **City of Baltimore** – Ex-Offender Initiative, Mayor's Office of Employment Development – \$450,000

Financial Impact

Job training funds of \$500,000 will be pursued through both the federal appropriations and grant process, with these funds dedicated to the six economic driver industries of San Antonio.

Octavia – Phase 3 Project

Proposal

To seek \$11.2 million in federal funding to fund the existing phase of the Octavia street and drainage improvement project located near Interstate 35 and Division Avenue.

Background

The City of San Antonio has calculated that the estimated funding needed to address ongoing street construction and maintenance will amount to more than \$100 million over the next ten years. This comes at a time when the public's demand for quality streets to protect the city's \$3.4 billion capital investment in roads and bridges is at an all-time high.

Currently, there are several projects around the city that have been partially-funded, but lack continued funding for them to be completed. One of these includes the Octavia Project, located near Interstate 34 and Division Avenue. This is an area that previously had no drainage infrastructure or improvements, resulting in severe flooding to the more than 1,500 residents who reside nearby. Improvements would include sanitary, sewer and water pipes, along with new, renovated streets and curbing.

If adequately funded, this project would result in the renovation of over 15 streets, south of the city's central business district. It would improve mobility for an area that has long been neglected in terms of street maintenance, especially for an area that is adjacent to one of the state's most congested highway traffic corridors between San Antonio and Dallas.

According to the project scope, the existing unfunded construction phase includes the following:

- Boris – \$374,500
- Ranmar Avenue – \$613,700
- West Hart #3 – \$231,800
- Streets North of Division Avenue – \$10 million

Financial Impact

Two earlier phases of the project were funded by bond issues. The City's investment totals almost \$3 million. Construction began in 2004 on the initial phase, and the current phase of the project remains unfunded. The cost is estimated to be approximately \$11.2 million to complete the current phase.

Omnibus Policy

PROPOSAL

To support federal regulations or legislation which would clearly benefit the City and oppose any regulations or legislation that would clearly be detrimental to the City's interests.

BACKGROUND

In 1995 Congress created a mechanism that would place obstacles in the path of imposing new, unfunded federal mandates on the taxpayers of the nation's cities and towns. The law created a mechanism to force Congress and the White House to acknowledge the impact of proposed unfunded mandates on state and local governments. However, it left untouched federal authority to preempt traditional municipal rights, responsibilities and revenue resources.

The City of San Antonio has historically endorsed legislation that would clearly benefit the City and opposed bills that met one or more of the following criteria:

- undermines the principles of self-government;
- mandates increased cost to cities, including environmental mandates;
- results in the loss of revenue to cities or change the authority of the City to generate revenues;
- diminishes the fundamental authority of cities to operate in a manner consistent with the best interest of the health, safety and welfare of the general public; and/or
- preempts municipal authority, such as franchising, zoning, permits, licenses and municipal code development, and interfere with municipal control over the rate and nature of local taxation.

FINANCIAL IMPACT

This policy will assist the City staff and government affairs consultants in expediting measures to defeat detrimental legislation and play a proactive role in passing favorable legislation.

SECTION II – ENDORSEMENTS

Air Quality

PROPOSAL

To oppose any legislation or regulatory activities that would erode existing Early Action Compacts

BACKGROUND

Several communities in the nation, including San Antonio, are participants in the Early Action Compact Program. These compacts give local areas the flexibility to develop their own approach to meeting the 8-hour ozone standard, provided that communities control emissions from local sources earlier than the Clean Air Act would otherwise require. It is a voluntary program that upgrades the air quality planning process to achieve compliance with the U.S. Environmental Protection Agency's (EPA) pollution standards.

San Antonio's current air quality is marginally over the allowed air quality standard for ozone. Through an early action compact, the San Antonio region, through the Alamo Area Council of Governments provides the Texas Commission on Environmental Quality (TCEQ) and the EPA with progress reports and milestones on a semi-annual basis. In return for this activity the San Antonio area receives a non-attainment "deferred" designation. The TCEQ and EPA in 2008 will re-designate those communities that are not attaining the air quality 8-hour standard.

On October 26, 2005 the American Lung Association, Environmental Defense, Natural Resources Defense Council and the Sierra Club petitioned the U.S. Court of Appeals to review the "extension of the deferred effective date for the 8-hour ozone national ambient air quality standards for Early Action Compact Areas" on the basis that this deferment prolongs and increases the exposure of the public to air pollution associated with a variety of adverse health and welfare effects. It is believed that the EPA may negotiate with the petitioners to review existing Early Action Compact Program and its deferment privilege, which may re-designate San Antonio as begin non-attainment in 2008 or sooner.

FINANCIAL IMPACT

If near-nonattainment communities like San Antonio were to lose their early action compact designation, it could lead the EPA to impose stricter air quality measures, such as new source review (NSR) and transportation conformity. Under NSR, the construction of industrial facilities would have to undergo a review for environmental controls before construction could begin. Transportation conformity, on the other hand, would require that any federal transportation funding would have to conform to National Ambient Air Quality Standards. Conformity applies to all federally funded transportation plans and improvements within community. Both of these stricter rules could slow down economic and industrial growth in San Antonio and make it costlier.

Child Care Development Block Grant

PROPOSAL

To support increased funding for the Child Care Development Block Grant Program (CCDBG).

BACKGROUND

The Child Care and Development Block Grant provides the core funding for childcare subsidy programs to states. The vast majority of CCDBG funds are used by states to provide eligible low-income families with childcare subsidies. Eligible families can use these subsidies to obtain childcare for children up to age 13 in a variety of settings, including licensed centers, registered group homes, registered family homes, or in a child's own home.

Under federal law, childcare subsidies can be provided to families that are working or participating in education or training programs, and that have incomes less than 85 percent of the state's median income or a lower threshold set by the state. States can prioritize service for families, such as those transitioning from Temporary Assistance for Needy Families (TANF). Families that receive subsidies are required to contribute a portion of the cost of care, or co-payment. States must create a sliding fee scale that determines a family's co-payment based on income and family size. Childcare providers receive reimbursement according to payment rates established by the states. Over the past five years, mandatory funding under the CCDBG program has been frozen. Since childcare costs rise with inflation, mandatory funding freezes have negatively impacted eligible children and families, decreasing the number of eligible children in care. According to the Children's Defense Fund, in 2005 only one out of seven children eligible for assistance under CCDBG received it, and 20 states had waiting lists or had frozen their intake of cases, with over 450,000 children on waiting lists. In Texas alone, over 22,000 eligible children are on waiting lists.

In Texas, the state's Workforce Commission (TWC) distributes CCDBG funding among the 28 local workforce development areas (LWDA). Local workforce boards subsequently contract with local public, private and non-profit entities to administer subsidized childcare programs in their respective LWDA's. Alamo WorkSource contracts with the City of San Antonio to administer the Alamo Area Childcare Delivery System in the 12-county Alamo Workforce Development Area, including Bexar County and its 11 surrounding counties.

FINANCIAL IMPACT

With current funding levels, the Alamo Area Child Care Delivery System subsidizes childcare for over 10,000 children daily. However, 3,000 eligible children are on waiting lists, many in single parent homes. The expansion of childcare subsidies plays a significant role in reducing welfare caseloads and increasing single household employment levels. Increased funding requested by the state for FY2007 would be sufficient to provide childcare subsidies to the 3,000 children on local waiting lists for one year and enhance workforce development in the area by meeting the needs of eligible children and families.

36th Street Extension Project

PROPOSAL

To secure \$20 million to continue with the multi-modal project that provides a modified roadway network that increases the country's port capacity through more efficient use of an 11,500-foot runway and rail center that already exist at KellyUSA.

BACKGROUND

The 36th Street Extension is a major arterial improvement project with five major phases. The total project cost for all five phases of the project is \$62.4 million. This multi-modal project provides a modified roadway network that increases the country's port capacity through more efficient use of an 11,500-foot runway and rail center that already exist at KellyUSA. This project is 1.9 miles in length and will link KellyUSA to major thoroughfares, providing easy ingress and egress to and from KellyUSA by making approximately 250 acres of KellyUSA property accessible to the runway.

This project is critical because Kelly Air Force Base was built to provide restricted access, which is now hampering redevelopment of the former base. The state and City are investing \$15 million to upgrade interstate and arterial roads leading to the 36th Street Extension. The project will provide the truck carrying capacity to access developed air cargo, aircraft maintenance, repair and overhaul, and logistics distribution operations on KellyUSA. Improved connectivity to U.S. Highway 90 and Spur 371 will result from the construction of this project, which is critical to achieving the community's goal for the redevelopment of Kelly into a first tier, multi-modal industrial park.

FINANCIAL IMPACT

Waiting to receive from Public Works.

Energy Policy

PROPOSAL

- Oppose federal preemption of Texas' electric deregulation law.
- Maintain the autonomy of the Electric Reliability Council of Texas grid.
- Support increased appropriations for the Low Income Energy Assistance Program.
- Support enhanced competition among rail carriers and improvements in rail customer protections.
- Extend the production tax credit for renewable generation.
- Oppose a federally-mandated renewable portfolio standard.
- Oppose federally mandated approaches to greenhouse gas emission intensity reductions.

BACKGROUND

In 1999, Texas passed legislation to transition the state to competition on January 1, 2002. When the Texas Legislature moved to deregulate the electric utility industry, they recognized the successful record of municipal utilities and the importance of local control. SB 7 maintains local control for municipally owned utilities, and sets forth that municipal utilities can choose to "opt-in" to the competitive market through an action of their local governing body. Local authorities should continue to set rates and utility policies, and decide whether and when to "opt-in" to deregulation.

The Electric Reliability Council of Texas (ERCOT) is the independent system operator for the electric grid in Texas. The ERCOT region is contained completely within the borders of Texas, and does not interconnect synchronously across state lines to import or export power with neighboring states. For this reason, the production and sale of electricity in ERCOT is not subject to regulation by the Federal Energy Regulatory Commission, but instead falls exclusively under the jurisdiction of the Public Utility Commission of Texas (PUC) with laws established by the Texas legislature. This unique, regulatory scheme is mature and effective, and should be preserved.

The Low Income Energy Assistance Program (LIHEAP) is a federally funded program that helps eligible, low-income households meet their home heating and/or cooling needs. LIHEAP funding is allocated by the Department of Health and Human Services and administered by the states, with the states having maximum flexibility in directing program funds to local partnerships. In San Antonio, these funds are distributed through the Residential Energy Assistance Partnership and Project Warm. Currently, the costs of home heating fuels, particularly oil and natural gas, are at historic highs.

Immediate emergency appropriations, and a significant increase in regular LIHEAP funding for FY 2006, will greatly assist low-income families with their critical energy needs.

Lacking viable transportation alternatives, many electric utilities, including CPS Energy, must rely on rail transportation to move coal from the coal mine to the power plant. Importantly, coal based generation is only as efficient and reliable as the quality and cost of rail transportation. Today, the current low-cost of electric power generated from coal is being threatened by the increasingly lower quality and higher costs of rail service. Many electric utilities being served by railroad monopolies do not have the ability to negotiate the terms of their rail transportation in an open and competitive market - these utilities are known as "captive rail shippers." Without legislative remedies to enhance competitive transportation alternatives and improve the rail customer protection mechanisms that are implemented by the Surface Transportation Board, electric utilities and the communities they serve will continue to be subject to higher rates for coal transportation, which will ultimately increase the rates of utility customers.

Under current law, corporate entities can receive a production tax credit (PTC) for building new generation from renewable energy sources placed into commercial service prior to the latest deadline, which is currently December 31, 2007. These renewable sources include wind, closed-loop biomass, open-loop biomass, geothermal energy, solar energy, small irrigation power and municipal solid waste (including landfill gas). The credit is 1.9 kWh for electricity produced over a 10 year period. The PTC will expire at the end of 2007, unless reauthorized by Congress. CPS Energy will work in conjunction with other public power entities to extend the PTC into perpetuity.

Public power systems, including CPS Energy, have a strong, long-term commitment to renewable energy development. However, at a time when utilities are moving into a more competitive environment, the imposition of a federally mandated renewable portfolio standard (RPS) puts public power systems at a disadvantage. Currently, municipal utilities do not have a federal financial incentive for the development of renewable energy facilities. Investor-owned utilities are able to mitigate the cost of complying with a federal mandate using production tax credits while customers of municipal utilities have to bear the full cost of meeting the federal mandate. In addition, a federal RPS fails to recognize the differential in the availability of renewable energy resources for individual states, and would penalize certain regions of the country on a relative basis. Resource decisions should be matters of local control and community needs.

Proposals for mandatory greenhouse gas reduction strategies are increasing in number and by type, and different program designs can have very different impacts. CPS Energy contends that these strategies should involve voluntary and incentive-based proposals that include all greenhouse gases from all industrial sectors, and should focus on providing greater federal support for research and development. Such policies should also recognize utilities' commitments to a diverse fuel portfolio and financial commitments made to meet growing energy demands. Specific incentives should be developed both to help deploy existing technologies for carbon capture (sequestration) and to develop the next generation of technologies for producing electricity.

FINANCIAL IMPACT

CPS Energy is responsible for approximately 28% of the City's annual revenues as well as some of the least expensive and reliable energy in the nation. CPS estimates that the costs to mitigate greenhouse gas emissions, in just fuel replacement costs, could produce a significant increase in rates to San Antonio electric customers. Likewise, a federal mandate for retail competition or a renewable portfolio standard would remove local control from CPS Energy's Board and the City Council and could create a timeline that would be very costly and disruptive to local consumers.

Public Requests for Vital Records

PROPOSAL

To support changes considered by the U.S. Department of Homeland Security relating to public requests for birth certificates and to oppose a five-year expiration of birth certificates.

BACKGROUND

Currently, birth certificates of anyone 75 years or older are considered public record and can be requested by the general public. In light of the upsurge of "identity theft" and associated security ramifications, the U.S. Department of Homeland Security is recommending a policy change that would no longer allow this practice. An additional change being proposed by Homeland Security would consider adding a five year expiration date to birth certificates used for identification purposes.

FINANCIAL IMPACT

The financial impact for the number of requests for birth records of individuals 75 years or older is minimal. Conversely, the changes requiring a five-year expiration date could have significant positive revenue impact for state and municipal registrars. However, it is likely to increase workload significantly and require an increase in personnel needs, which will prove more costly.

Water Resources

PROPOSAL

To support legislation that amends the funding sections of the *Clean Water Act* and the *Safe Drinking Water Act* to increase the funds available to cities in order to perform infrastructure replacement projects to protect the quality of the drinking water.

BACKGROUND

In February 2001, a study by the Water Infrastructure Network reported that America's water and wastewater systems would need \$23 billion a year to meet the national environmental and public health priorities in the Clean Water Act and Safe Drinking Water Act as well as to replace aging and failing infrastructure. The report called for a five-year, \$57 billion federal investment in water and wastewater systems to replace aging pipes, upgrade treatment systems, and continue efforts to protect public health and the environment.

San Antonio is no exception to the need to replace and upgrade critical components of its water and wastewater systems. Master planning efforts have identified over \$270 million in funding requirements for the next five years in order to provide adequate wastewater service for San Antonio. An additional \$170 million is needed for water delivery infrastructure over five years. An enhanced federal role would provide for distribution of funds in fiscally responsible and flexible ways, including grants, loan subsidies, and credit assistance.

Some of the priority needs include:

- **Domestic wastewater management systems** – includes wastewater collection and pumping infrastructure, wastewater treatment plants, wastewater reclamation and reuse facilities, biosolids (sludge) management, and discharge infrastructure; and
- **Drinking water supply systems** – includes water treatment facilities, finished water storage, finished water distribution systems, source water development, water supply management and interconnection, source water protection, demand management, and rehabilitation of raw water conveyance and water storage infrastructure.

FINANCIAL IMPACT

Waiting to receive from SAWS.

Municipally-Related Issues

The City of San Antonio will support various issues that are in the best interest of all municipalities. This includes policy priorities that are often better represented by coalitions of cities formed by national municipal organizations, including the following:

Community Development Block Grants

Community Development Block Grants (CDBG) is one of the oldest programs administered by the U.S. Department of Housing and Urban Development (HUD). CDBG provides annual grants on a formula basis to many different types of grantees through a variety of programs. It is up to HUD to determine the amount of each grant by a formula that uses an objective measure of community need, including the extent of poverty, housing overcrowding, and population growth, all in relation to other metropolitan areas.

Beginning with its initial allocation in 1975, the City of San Antonio has received more than \$549 million in CDBG funds. Over that time, local officials have used this funding for many vital and needed projects, including infrastructure improvements, childcare, recreation activities, health care services, job training, neighborhood planning, code compliance and rezoning.

In recent years, the Administration and Congress have sought to impose severe cuts on CDBG funding. Significant cutbacks would have a negative impact on local communities, like San Antonio. CDBG is a jobs creator, creating over 90,000 jobs in 2004 alone. In its 30 years of existence, it has leveraged \$324 billion in private investment – a three-to-one return on federal dollars allocated for this program. Because of the favorable impact that CDBG monies have had on our community, the City of San Antonio will vigorously work with other cities to support the highest level of funding possible.

Affordable Housing

The need for safe, decent and affordable housing remains an ongoing challenge for the United States. Currently, an estimated 12 million renter and homeowner households pay more than 50 percent of their annual incomes for housing. A family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States. The lack of affordable housing is a significant hardship for low-income families, making it difficult to meet other basic needs, such as food and utilities, clothing, healthcare and education. Enhancing the supply of affordable housing is a critical issue for San Antonio. It is the vehicle that drives the economic sustainability of a community by creating jobs and increasing a city's tax base.

There are various federal programs designed to increase the inventory of affordable homes for low-income individuals. For example, the Low-Income Housing Tax Credit (LIHTC) enables states to issue federal tax credits for the acquisition, rehabilitation, and construction of affordable rental housing. Since its inception, the LIHTC program has been the principal mechanism of new and rehabbed rental housing for low-income households.

Despite congressional attempts to reduce funding for affordable housing programs, the City of San Antonio will work with other municipalities and urban congressional leaders to support greater budget allocations for housing programs as well as tax credits that lead to more affordable housing stock.

Eminent Domain

One of the most important responsibilities of any municipal government is to provide for the economic growth of the community while at the same time safeguarding the rights of the individuals that make up that community. At times, the ability to provide for the public good requires municipalities to exercise the power of eminent domain granted by state authority. Used prudently, it can revitalize local economies, create much-needed jobs and generate revenue, enabling cities to provide essential services.

In the past, the City of San Antonio has been very conservative in its use of eminent domain, using it in rare instances. Without this tool, for example, projects like Hemisfair '68 and the construction of the Toyota Manufacturing Plant would not have been possible. The City of San Antonio recognizes the sensitivity of this authority and has pledged to work with leading municipal organizations, such as the National League of Cities, in urging Congress not to erode or preempt state laws that govern the local application of eminent domain.

Public Health Funding

Many cities across the country serve as the public health authorities for their communities. This often includes mental health and substance abuse-related services in addition to the more familiar preventive health services that public health districts are known for. A lack of adequate funding would result in communities experiencing higher rates of illness, diseases and economic productivity.

To carry out their missions, local health departments are tasked with assuring that appropriate infrastructure is in place to effectively respond to natural and man-made disasters. Such infrastructure facilitates the ability to perform mass immunization campaigns, address and triage large numbers of affected individuals, and engage community social service agencies to meet the comprehensive health needs of the community. Currently, the City of San Antonio receives \$1.92 million in federal funding for maintenance of an emergency preparedness laboratory and community preparedness program.

Cities also participate through the National Association of City and County Health Officials in the Mobilizing Action through Planning and Partnership (MAPP) process. MAPP maximizes preventative health services by building health services infrastructure through alliances of health and social service agencies that work collaboratively on issues such as access to care, public policy and healthy lifestyles. Many communities, including San Antonio, currently support this program through the Preventative Health and Health Services Block Grant. The purpose of the grant is to provide states with the flexibility to tailor prevention and health promotion programs to their particular needs. The City currently receives \$306,000 through this program.

success of this type of program highlights the need for additional funding. The City of San Antonio supports the U.S. Conference of Mayors in its effort to increase federal funding that is available to local communities for the basic needs of this extremely vulnerable population.

Telecommunications Reform

Changes in state law enacted during the 79th Legislative Session replace city-issued franchises for cable and video service with statewide franchises issued by the Texas Public Utility Commission. Statewide franchises require telecommunications providers to pay cities 5 percent of gross revenues. The passage of Senate Bill 5 was a significant compromise between Texas cities and the telecommunications industry. The City of San Antonio believes that Senate Bill 5 should be allowed to provide the telecommunications industry with opportunities to bring new and enhanced technologies to the general public while providing municipalities with the tools to protect local investments in their rights-of-way and PEG operations. The City further believes that any attempts to supersede the provisions of this bill with federal legislation should be vigorously opposed.

During the first session of the 109th Congress, three bills were introduced relating to telecommunications reform (S. 1504, HR3146 and S.1349). Each of these bills do not allow for any monetary or other in-kind payment to cities above the 5 percent franchise fee. S. 1504, for example, narrows the revenue base and limits right-of-way costs, thereby decreasing the revenue that will be received by the City through the 5 percent franchise fee. If any of these bills were passed in their current form, it is projected that the City of San Antonio would incur a significant loss of revenue. At this time, it is difficult to determine the actual loss of revenue to the City, but it is expected to be substantial.